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TO A

STATISTICAL SKETCH

OF THE

CORN TRADE OF CANADA.

EXTRACTED FROM THE MONTREAL GAZETTE,
NO. 124, NOV. 13, 1832.

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REPLY.

LONDON, June 13, 1832.

H. S. CHAPMAN, Esq.

SIR,—I was last evening favoured with "*A Statistical Sketch of the Corn Trade of Canada*," from the "*author*," which, by the name attached to it, I perceive to be yourself; here then I take leave to thank you for the same.

So anxious was I to gain information on a matter of such importance to both the colony and the mother country, and every thing connected with the best interests of both, (with which our commercial establishments are so deeply involved,) that I instantly sat down to read it with that deep attention which the subject deserves; and so interesting did it become by the perusal, that I determined to send you my observations thereon—and though "first thoughts" are said to be "strongest," and "second thoughts best," I waited not for the second, but gave up my night to ease my mind and take advantage of to-morrow's packet: and if I should either *fail* in giving reasons for my opinions, or in the "*suaviter in modo*" in expressing them; you must attribute both, to the hurried and rapid manner in which I am writing, without the opportunity of any kind of reference to a subject so interesting, and one which will probably 'ere long be mooted in a new Parliament, composed (unless public opinion settle into something like quiet and sobriety of sentiment) of many who will find greater

facility in giving vent to their own feelings or the *commands* of their constituents, than in exercising sound judgment. As a preliminary, I think it well to state, that I am not a convert to the *science of "Political Economy,"* as propounded by the new school of economists. It appears to me that they have made it a science of paradoxes, assuming assertions for data, and upon the dogmas of its professors, throwing aside the results of practical operations and leaping over all natural impediments, founding a superstructure which ought to have for its basis *facts* alone ; but it may be well to assure you that it is not from wilful ignorance, but from conviction, after studying and even transcribing much that has been written, that I remain an unbeliever. Perhaps I may be *too old* to be caught with chaff, however enticingly displayed, or entrapped by the self-conceit of considering theories of more value than the results of practice, and the charms of metaphysical jargon and conclusions brought from opinions, may be lost upon me. So long as these converts were confined to quack lectures, the walls of colleges, or the closet of the student, they were amusing to their votaries and harmless to the community ; but when the affairs of a great nation are to be ruled by them, and practical good given up for a speculative better, it is time to consider whether Bonaparte erred greatly when he asserted that "four political economists were enough to ruin an empire !" For my own part I believe, as a medical writer has said of the contagion of cholera, "that common sense, as "in many other matters of importance, has ranged "itself on the right side, whilst learning and "science have been defending the contrary—the "opinions of a few speculative and ingenuous individuals being set in opposition to general conviction." Enough, however, of this ; I will therefore, in going through your work, observe upon

such matters as in my opinion offer points, on which at least differences of opinion may conscientiously be held.

In page 3, you say "the farmer habitually relies upon the opinions of his landlord and vicar."* The farmer, I assure you, does not rely so implicitly on them as you seem to suppose; I fear, indeed, in these days, that the opinion of the vicar is too little thought of; and if the party to whom the economists unite themselves in general opinion, could have their wishes realised, there will not ere long be such a name in a parish; so that on him at least your irony might have been spared.

In page 4, you allow that "under a free trade, foreign corn would be brought in at half the present price of home produce; but that then money wages would fall, (and yet purchase more comforts for the labourer,) and the price of all raw produce; and that in consequence the farmer's profits will be proportionally greater, and he will be enabled to indulge in comforts, where before he could only afford necessaries—luxuries, where before he was glad to content himself with comforts."* I fear that in common with the "Utilitarians" and "Knowledge Society," (should

* The farmer knows by bitter experience that a certain price is necessary to enable him to live. His landlord and vicar—men on whom, and on whose opinions he habitually relies, tell him that foreign corn can be brought in at half that price, or at all events, for considerably less; which is true; but, they do not tell him (let us charitably suppose they do not know) that the difference would ultimately fall on rent and money tithes; that money wages would fall, and yet purchase more comforts for the labourer; and that by the fall in wages, the farmer's proportionate profits would be greater, and so further augment, by the fall in price of all raw produce, and of all articles, into the composition of which the raw produce of the soil enters. His

this panacea of a free trade in corn and low prices be brought about,) you will be deceived as to the prophesied gradation from "necessaries to comforts! and comforts to luxuries!" such never was the state of man, least of all of agriculturists; search history, read the accounts of every country which the travelling spirit of the age has made known to us, for a refutation of so gratifying but delusive an anticipation; how, may I ask, can comforts and luxuries be possibly acquired by a whole people? are they not the rewards of constant personal labour and attention to a daily occupation, or the acquirement of the superior intelligence of a minority, who find such employment for the greater number; but if these too had such indulgencies, who would be found to work; "necessity is the mother of invention" and of labour too. As your intelligent countryman, Shirreff, says, "this may be harsh language, but it is sound philosophy." Least of all, in a densely populated country like England, can any such utopian change be expected by low prices. Have you forgotten that there exists, (or to shew us the manner in which to get rid of,) the national debt! the parish and county rates! and above all, the poor rates! —the former contracted at high prices, when every thing was in proportion; but on your position, to be collected hereafter when every thing *but itself* has fallen one half in value—thus increasing its own value 100 per cent! Have you forgotten that though political economy may say, "employ foreigners to do all the work for you that

income derived from profits, will purchase—will enable him to indulge in *comforts*, where before he could only afford *necessaries—luxuries*, where before he was glad to content himself with *comforts*. —Chapman on the Corn Trade, pp. 3—4.

they can do cheaper," our *poor laws* compel us to keep every man from starving, and therefore while we employ foreign labourers to do our work, we must convert our own unemployed labourers into paupers and keep them too at the public expense. But, sir, I take it to be altogether unnecessary to argue against the supposition, that upon the *whole*, an abstraction of labour from *our* population can bestow the means of increased comforts to it. What is the price of your ducks? asked a freshly imported Patlander of a huckster; "seven shillings a couple," said he;—"faith," said the Irishman, "we can get them at sixpence a piece in my country;"—"then why the devil dont you go back again," said the huckster;—"just because we cant get the sixpence to buy them with!" replied Pat.

You seem to rest your arguments upon the assertions and opinions of Mr. Jacob, as upon a *point d'appui* of certainty.

"Trifles light as air,
Are to the jealous, confirmations strong as
proofs of holy writ;"—

And so I fear, that having adopted the same opinions, you respect his authority, and go as far as he goes, even if that be much farther than you ever intended. Now, Mr. Jacob's book is not gospel to every body; and it is shrewdly suspected by some, that he screwed his observations in some degree to square with his theory; and that his information was not so frequently got at the fountain head as it might have been, being in general gathered from commercial and political men in cities, interested in their dicta. I could have been better pleased had he not, when on the eve of proceeding on his mission, expressed himself as displeased with the advantage which, he said, Canada enjoyed over foreign nations, in the protection given to her as a

colony of Great Britain. I would ask, ought she not to have such preference? Shall the child of the bond-woman be heir with the free? or shall the stranger have the privilege of the child? Was ever a public commissioner more palpably wrong in his conclusions than was Mr. Jacob, as to the quantity of wheat that could be spared from the continent? as was proved by the quantity imported from thence, even before his report had grown stale. On the Corn Exchange his opinions and assertions were at first received with astonishment, and then with doubts. Notwithstanding my long acquaintance and respect for the character and abilities of Mr. Jacob, (even before the Revolution or Emancipation of Spain had exhibited him in a public character,) I may venture to dispute both his opinions and assertions; and, therefore, it is, that I do not agree with you as to the degree with which, through him, we are acquainted "with the corn supplying powers of almost every country of Europe."—In a note you acknowledge, that "Russia is a most important exception;" and, it is well you notice this omission, as *since* Mr. Jacob's publication, I have, in common with others, been invited into speculations in corn to be purchased in Russia, under 17s. a-quarter!! And, at which price it might have been procured at different times and various places since the publication of his report. In page 5, you say, "It is now ascertained that the continental States of Europe could not make any great addition to their average surplus for shipment, &c. &c."* As Mr.

* It is now ascertained, and pretty generally acknowledged, that the continental states of Europe could not make any great addition to their average surplus for shipment, except at a greatly increased cost of production. All the lands suited to the culture of white crops, and situated at moderate distances from the

Jacob is, however, your *only* authority for this opinion, which, you say, is "pretty generally acknowledged," I need not further attempt to confute it, than by saying, that such information as I am favoured with from other sources, leads me to doubt it greatly; and, I consider myself authorised to state, that an opinion, similar to my own, is generally held on the Corn Exchange.

As to your opinion or rather assertion, that "America, and indeed all new countries, producing their corn by means of a small quantity of high priced labour, applied to lands of the greatest fertility, which are almost rent, tax and tithe free;" and that, therefore, "Canada can deliver her corn in England at prices quite as low as Dantzig or any other corn-shipping port in Europe,"* I doubt it altogether; or rather, I would say, I have *no* doubt about the matter.—What! Canada with her ports shut up in ice one half the year, with 3000 miles of transport from her port of exit, making her freight *double*, and *risk of damage* and

shipping markets, are already under pretty high tillage; and it is only by more skilful, and, at the same time, more extensive application of manures—in a word, by still higher tillage, that an increased quantity could be drawn from the soil.—*Chapman on the Corn Trade*, p. 5.

* America, and indeed all new countries, produce their corn, &c. by means of a small quantity of high priced labour, applied to lands of the greatest fertility, and which are almost rent, tax, and tithe-free; the richness of the soil, and the non-existence of burthens, more than compensating the high wages of labour and the distance from markets; so that, with equal duties, or, with a trade in corn perfectly free and unrestricted, Canada, as I shall hereafter have occasion to show, can deliver her corn in England, at prices quite as low as Dantzig, or any other corn shipping port in Europe.—*Ib.* p. 6.

hunting fourfold; able to compete with our European continental growth, *grown by serfs too!* and within twelve days of her market from the shipping port? Nay, that is really too bold an assertion, notwithstanding the fertility of the soil, and the Canadian saying of "*beaucoup de neige, bonne recolte.*"—I have read the letters of John Young, Esq., under the signature of *Agricola*, with great pleasure; but think that there is great reason to doubt his theory and assertions, as to the amelioration of the climate of America, by the increase of agriculture, &c. to any thing like the extent he supposes it. His idea, that such changes are effected partly by the "increase of population, and consequent evolution of animal heat, and warmth communicated to the atmosphere by the fires within the houses," is, I grant, very philosophical, and is true as regarded the black hole of Calcutta, or, as respects a nigger methodist meeting, and the immediate neighbourhood of such a city as London; but on a population of one man to thirty acres, I should imagine that, *practically*, very little difference would be found. This mode of reasoning, wherein philosophy is elevated above fact, is too much in fashion—the *last* winter in America surely proves but little for Mr. Young's opinions. I understand that for seventeen years at least, there has not been experienced so severe a winter in North America; and yet, without fear of dispute, those seventeen years have offered the greatest proof for trying his assertion; perhaps more clearing, draining, population, &c. has taken place during those years, than during a preceding century. I believe the Hon. W. B. Felton, who has long resided in Canada, has little faith in the doctrine, neither had M'Taggart, the engineer, and that *heartly* veteran, Mr. Adam Lymburner, in his eighty-sixth year, though he may allow that some change has taken place since he first knew Canada, *nearly*

seventy years since, is very far from allowing any such changes as you seem desirous to establish. That vessels do generally arrive somewhat earlier and sail somewhat later in the season, may be attributed rather to the improvements that have taken place both in ship building and navigation, than to the change in the climate. Mr. Young certainly produces abundant quotations to hold out his assertion, that the climate of Europe, and particularly of England, has materially improved within "the last two thousand years;" but we should remember that even Caesar, Virgil, and Tacitus were swayed by self-vanity, poetical licence, and flattery; and we may as well look for the actual danger to vessels in sailing near Scylla and Charybdis, as for precise unvarnished truth in such accounts. May it not rather be granted, that whilst certain countries are greatly improved in their climate by physical changes caused therein by man, in regard to human health and life—the actual climate as to the return of seasons and vegetation remains without much change, taking an average of a long period of years or cycle. "The stork knoweth her appointed times," and, allowing for the *change of style*, it does not appear that the arrival of the cuckoo and swallow, and seed time and harvest, have much varied in this country since Chaucer wrote, or our oldest herbals were published.

In page 17 you quote the "price of wheat of Upper Canada at 5s. 6d. per bushel in January last," *

* Upper Canada wheat, however, of medium quality, could not be laid down at Montreal under 5s. 6d. per bushel, (the last advices, January 24, 1832, quote Upper Canada wheat, at 5s. 6d.) or 54s. 4d. in London, without duty. Now the average price in England must be low indeed for good wheat to bring no more than 54s. 4d. The medium price of a dollar per bushel would cost 50s. 8d. in London, without duty, (appen-

but do not say where ;—I believe there was none in Montreal at that time—so that, I presume 1s. 1d. for transport was to be added—making it 6s. 7d. ; this, however, I know, that when it was to be got in preparation for shipping, it was 6s. 6d. currency. I cannot find fault with your calculation of cost of growth laid down at Montreal at 5s. 6d. per bushel as a possibly saving price ; and I am willing to allow that, without duty, such wheat might be laid down in London at 54s 4d. per quarter ; but you take nothing into account for such seasons as the Canada grain *heats* and fills with weevil ; and that is, as you know, seriously to the loss of the importer, and happens perhaps one year in five. Allow me to observe, that the fertility of the soil of Canada has been most ridiculously exaggerated—80 bushels of wheat per acre ! and that too for many years in succession ! It is a pity that Government should have fallen into this error from the otherwise able report of Mr. Richards. Your calculation in page 16 is much nearer the mark according to my information ; that from 25 to 40 bushels per acre is a good crop on good land, and from 15 to 25 on the worn-out soils of the French seignories. You make mention of Ca-

dix F) a price which would enable Canada, quality considered, to cope with any of the corn supplying countries of the north of Europe. In the present state of the corn laws, it is not likely that wheat in Canada will be long under 5s. 6d. as a medium price, that is, 5s. for Lower Canada, and 6s. for Upper Canada wheat. And even were the commerce of grain quite unrestricted, I am inclined to think good wheat would seldom go below 62s. to 65s. per quarter here, which would keep the price in Canada up at from 5s. to 6s. 6d. ; a price which operates as a decided inducement to its extended cultivation.—*Chapman on the Corn Trade*, p. 17.

nada wheat $64\frac{1}{2}$ lbs. per bushel; such I have never seen, and am inclined to believe there may have been some inaccuracy in the weighing; of six cargoes we received last year, the weights were 55. 58. 58. $58\frac{1}{2}$. $58\frac{1}{2}$. 60.—the three first being red, the two latter white wheat. I acknowledge that such weights offer no just criterion, as from some unknown cause, the import of last year depreciated exceedingly by its transport, so as to entail a loss of £50 to the importers. Neither did it occur to me to observe, the “*every where* plentifulness of gypsum,” nor indeed of limestone in Canada. I take it, that the use of both arises from being decomposers of vegetable matter causing fermentation, and requiring on worn out soils such matter to work upon, for which reason (as I have seen in the United States,) green crops are frequently ploughed in where it is used. But now, sir, taking your calculation of wheat at 5s. 6d. per bushel at Montreal being a saving price, bringing it with charges to 54s. 4d. per quarter at London, and mine of 2s. 2½d. per bushel in Russia or Poland, and 30s. per quarter in London, giving you the therein *the highest freight*, as if from Odessa, I would ask what prospect there is of Canada growth doing without protection. I cannot but stop to notice what appears to me a *more flagrant omission on your part* in leaving the *United States* out of your calculation, than in Mr. Jacob leaving out Russia in his! How could Canada compete with her neighbour, whose soil is at *least* as good, climate better, ports *always open*, and navigation of shorter duration and less risk, consequently saving interest, insurance, time, and accidents. If I have found a mare’s nest, or caught a Tartar, you will please acquaint me.

In page 21, you say, that “the known principles of the present Administration early produced in the minds of the Canadians, a suspicion that the timber

trade would not last for ever ; and Lord Althorp's measure of 1831 confirmed that suspicion. Steps were taken by some few individuals to withdraw themselves as soon as possible from that restriction-bolstered trade, and agriculture in consequence received, and henceforward will continue to receive an accession of industry, capital, and intelligence, which will soon exhibit themselves in a greatly increased export." Here, I think you have given loose to your opinions or your wishes ; and seem to assert that, which you anticipate, (and ought to happen upon principle,) as having happened!—not very ingenuous though very ingenious.—How stand the facts?—The timber duty question was first broached in February 1831, and not known in Quebec till the 17th of April. You state that "some individuals withdrew themselves from that restriction-bolstered trade, and agriculture received an accession of industry, &c." Now, I may be allowed to ask how *any* grain grown in consequence of such impulse, could possibly have reached England ; or, whether it was even possible for any one engaged in the lumber trade at that period, to have got out of it!! Such assertions may go down with a certain class of opinionists, and be referred to by M. P.'s, aye, and Ministers, and be quoted in the *Westminster* and *Edinburgh Reviews* ; but ought, in fact, to be told to the *murines* ; however, it is not unusual now-a-days, to find a bold speculation or assertion stand in the room of a modest fact.

In page 26 you hint at "the probability of United States wheat being smuggled through Canada, and ask "what is to prevent it."* In this

* I am inclined to think, that the quantity exported will be great, and perhaps greater, owing to the favorable change which has recently taken place in that part of our corn laws which relates to the trade in corn

you are certainly administering to conceits *already existing* in the brains of some of our jealous but ill-informed legislators—there are not wanting some who do actually fancy that smuggling, to an immense extent, *does exist* from the United States; not only through Canada, *but actually through Ireland!* as well as by vessels meeting at sea!! and unless you know personally of such smuggling of United States grain for shipping as Canada growth, I think you are going greatly too far (as a Canadian,) to give currency to such opinions, which cannot be otherwise than prejudicial to her interests whenever the question is broached in Parlia-

between the United States and Canada. Wheat from the United States is now admitted into Canada free of duty, either for consumption or when ground at Canadian mills, for export, it being then considered colonial produce, on the principle that manufacture, and not the growth of the raw material, constitutes “produce;” hence, as English demand will keep up the price of wheat at Montreal and Quebec somewhat above the consumption price of New York, the former cities will receive much more than their usual supply from the borders of Lake Ontario, and from the western part of the state of New York. To my knowledge, American enterprise and capital were only waiting the decision of the Board of Trade on the question, *whether flour manufactured in Canada, out of United States wheat, would be considered as Canadian produce*, to establish extensive mills in Upper Canada. Besides which, what is to prevent the shipment of United States’ wheat as the produce of Canada, when once it finds its way into the provinces and down to the shipping ports. Indeed, an opinion prevails, that the intention of ministers is, to open a hole through which the wheat of America may quietly creep into Great Britain, without exciting the alarm of the classes interested in dear food. If such be their intention, it must be confessed they have acted with profound skill and judgment.—*Chapman on the Corn Trade*, pp. 25-26.

ment. I would ask, whether Canadian growers are not only willing to prevent it as a matter of self-protection, but whether they are not even willing to *tax* themselves with such grain, to keep it from interfering with the higher price which they get for their own growth for export.

In page 29 you express a belief that "the lumber trade of Canada is detrimental to its prosperity." You know my opinions upon the value of this trade, and therefore I need not go at length into them as opposed to yours; but I would ask, whether the opinion of one of your own Canadian authorities—one, to whom every idea that is called liberal, may be granted; of whom you say in page 19, "a man whose information on subjects connected with Canada is undisputed"—Mr. Neilson, of Quebec, is to be disregarded; he, in one of his *Quebec Gazettes* for May, (last month) calls the lumber trade, the "*pioneer of improvement*." What says Shirreff of the Ottawa River, a man whose style of writing and originality of ideas have delighted me, and of many others I might mention. Very much more might be added, were this attack on the lumber trade the first object of your book. By and bye a few other remarks may not be impertinent.

In page 30, you say, "the timber trade has found a friend; and, if my view be correct, the corn trade an enemy, in Mr. Bliss, a lawyer of one of the Temples. Mr. Bliss has received a sort of perpetual retainer to support the lumber trade through thick and thin; and, in a pamphlet of 120 pages, (a size which, to my knowledge, defeats its purpose,) he has, to use a legal phrase, made out a case. Now, this making out a case may be very good morality among gentlemen of the law, but in matter of trade, political economy or politics, it completely destroys the value of his statement."

I presume then, my good sir, that you congra-

tulate yourself on *not* making out a case, and if so, in my humble opinion, you have succeeded to admiration and your heart's content.

Really in your laboured mode of dividing the periods of your table to confute Mr. Bliss, in page 31, you have either failed to convince me that you are correct, or otherwise I have mystified myself in endeavouring to understand it.

Now in thus freely writing to you, I cannot avoid expressing my sorrow, my *extreme* regret, at the manner in which you have thought fit to speak of Sir Howard Douglas, late Governor of New Brunswick,* and *my friend Bliss*, Commercial

* In the controversy which took place on the subject in the winter of 1830-31, Sir Howard Douglas made himself conspicuous as being the first in the field—a trait, admirable perhaps in the soldier, but not so in the advocate for a monopoly trade, where the defensive, one would suppose, would have been the safest posture. In his pamphlet his grand arguments are, that the emigrant first finds employment in lumbering, (3d ed. pp. 21, 23;) and secondly, that the lumberman clears the ground for the agriculturist. To him who is acquainted with America, I need not point out the injudicious temerity of Sir Howard's advisers, (for advisers I feel convinced he had, inasmuch as he could not have promulgated such errors on his own observation,) in causing him to put forward with the sanction and apparent authority of his name, mis-statements of so glaring a nature. It must be within the observation of every one acquainted with Canada, that the recent immigrant *does not* find employment in lumbering, but in agriculture; the lumberman being almost always a native of Canada, or of the United States, or, in some few cases, an old settler. And, secondly, that the lumberman does not clear the land for the settler, but, on the contrary, renders the process of clearing for cultivation more difficult and costly than it would have been, had the native forest been left untouched. However, whatever may be the errors

Agent for Canada. Your argument required it not, and I may be excused saying, that however the fashion of the day may reconcile one to such style, it is "better honored in the breach than in the observance." Because Sir Howard is a soldier, is he of *necessity* void of common sense? or because he has governed a timber colony, is he less likely to be acquainted with the value of the lumber trade? or does he deserve sarcasm, for an honorable attempt to defend those he has governed? Is Bliss to be sneered at for being "a lawyer and living in one of the Temples?" Might it not be asked where your friend, Roebuck, lives, and what he is? Is he a fool *because* "he is a lawyer, living in one of the Inns of Court?" As well might it be questioned how far you and I are capable of writing common sense, or understanding any of those matters, particularly the "most certain of sciences." But least you should write thus sneeringly of Bliss, because you do not *know him*; let me acquaint you that he is a gentleman and a scholar, and a good one too; a man of ability, urbanity and philanthropy—one who has not written *because* he has received "a sort of perpetual retainer to support the lumber trade," but who was offered the retainer *because* he *had* supported the lumber trade, from knowledge of it in his native colony and conviction of its importance to the interests thereof. My acquaintance with Mr. Bliss com-

of Sir Howard Douglas's pamphlet, there is a great deal of good intention manifest on the face of his work, a circumstance which makes me regret the severity with which he has been treated. His disinterestedness none can doubt, as there is strong reason to think his place was the price of his opinions, or rather of the publication of them. This is more than can be granted to all the advocates of the existing state of things.—*Chapman on the Corn Trade*, pp. 29—30.

menced at the meeting called to sympathise with, and subscribe for the relief of the sufferers by the Miramichi fire in 1824; the success of which mainly depended on the most beautiful appeal of Mr. Bliss on that occasion—it was then that the Canadians first learned to appreciate those abilities which have since been used so much to their advantage and his own fame—and he has deserved what I think he has not got, viz. gentlemanly treatment at your hands. Why he should be supposed an enemy to the corn trade because he advocates the timber trade, I am at a loss to conceive. Must I hate one child lying quiet in the cradle, because I rush forth to defend another which is menaced with destruction?

In page 32, you say, "Much of the improvement which has taken place within the last few years, I attribute to the operations of the Canada Land Company: their expenditure of capital on the roads alone, lightens much of the misery of the new comer, and I may say they are very popular in Canada. If Mr. Wakefield's principle be good for any thing too, they have also done much good by raising the price of land in Canada; though there is yet much room for advance before they reach the price of the United States. I have just seen their statement, and I think all their assumptions are on the safe side, and I sincerely wish (in which I believe I am very generally joined) that the profit to the stockholders may, and I am happy to add, I believe they will, be commensurate with the great benefits which Canada has derived from their operations."

Here, my good sir, we coincide entirely, as well in your good wishes as in your anticipations—and hereafter Mr. Galt will be better known as 'Canada Galt,' than for all those writings which have done so much credit to his head and heart—and I trust that your good wishes will equally extend to-

wards the success of the "British American Land Company," now formed with a view of carrying similar useful operations into effect in the Province of *Lower Canada*, where the benefits are likely to be of so much more importance, by inducing into that Province British capital, British industry, and British feeling, all of which are so much wanted.

And it is gratifying to be assured by you, that "the soil and climate of both the Canadas are highly favorable to the culture of wheat, and, indeed, of every thing else; and that there is nothing in the length and severity of the winter of the Lower Province to militate against it—or to prevent the most unlimited extension of almost every description of produce capable of being raised from the earth, and that if the climate is favorable for agriculture, the soil is still more so."

I also agree with you that, "as to the progressive increase of the quantity of wheat for export from Canada there cannot be a doubt; the ratio of increase, however, would be quite impossible to determine." You have omitted to notice in your appendix, that it is not many years since Canada has had to import wheat from England to save its population from starvation.

You have given a very pretty exposition of the theory of exchange in your appendix,* upon scien-

* I know of nothing more likely to perplex and mislead, than the money and exchanges of Canada. Accounts are kept and prices quoted in pounds, shillings, and pence, as in England; but the pound, and, of course, its subdivisions, are of very different value from the pound sterling and its parts. A further source of misconception is found in the bungling mode of stating that difference, which I shall presently explain.

The *one-pound currency*, as it is called, consists of four Spanish dollars, each of which is called 5s.

tific principles, with which I am sorry to say practical results will not always agree—in fact, circumstances unseen or unheeded are constantly interposing in the world to prevent the principles of

At a time when the Spanish dollar—the piece of eight, as it was then called—was both finer and heavier than the coin now in circulation, its value at the mint price of silver* was found to be 4s. 6d. sterling. Accordingly, the pound currency was fixed by law at 18s. sterling, and £90 sterling was equal to £100 currency, the rule of conversion being, *to add one-ninth to sterling to give currency.*

This was called the PAR of exchange; and so long as it continued correct, fluctuations were from a trifle below to a trifle above par.

4s. 6d. however, has long ceased to be the value of the dollar. Both the weight and purity of the coin have been reduced; until its value in the London market† is not more than 4s. 2d., the pound currency being consequently reduced to 16s. 8d. sterling, and £100 sterling being equal to £120 currency.

The law,‡ however, still sanctions, nay, will not change the old language; so that what is called *premium* is, in fact, partly an expedient to correct the erroneously assumed par. The difference between the real par, 4s. 2d. and the nominal par, 4s. 6d. is 4d. or 8 per cent: thus, the fluctuations, instead of being

* The mint price then coincided more nearly with the market price than at present.

† It is necessary to use the market price, as the difference between the mint and market price is 4 per cent, and as the Spanish dollar possesses no conventional value, it is only worth what it will bring as an article of traffic.

‡ Mr. Mill, in his little golden book (so I must call it) on Political Economy, lays all the blame to us poor merchants; our “practical sagacity,” a quality which Mr. Mill allows us, long ago pointed out to us the truth, and taught us a remedy.

political economy gaining that predominance, of which its patrons so pertinaciously declare it is deserving—much in the same way as the cosmopolitan views of some very good men are continually obstructed by individual, family and national interests.

I confess that to me it appears that the rules of this science, if proved at all, are proved by the frequent exceptions to it: and strange, though true, that, as Mr. Huskisson said of the strictness of our navigation laws, “England has prospered, not in consequence of, but *in spite* of them.” Whe-

from 1 or 2 per cent below, to 1 or 2 per cent above the nominal par, are from 1 or 2 per cent below to 1 or 2 per cent above 3 per cent premium on the *nominal*, which is the *real* par, or from 6 or 7 to 9 or 10 per cent premium on the *nominal* par.

The real fluctuations can seldom, indeed, for a long period, never, exceed 2 per cent from the *real* par, the cost of transmitting the precious metal being somewhat under $1\frac{1}{2}$ per cent. In the month of August last the above *REAL* par exchange advanced both in the United States and Canada to 11 per cent, (3 per cent) this fulfilled the condition (*viz.* a profit on the transaction) of an export of bullion, which accordingly took place to an extent sufficient to reduce the exchange to $9\frac{1}{4}$ a $9\frac{1}{2}$ per cent*; the Spanish dollar, at the same time, owing to heavy supplies from all parts of the new world, rather declined here, thus raising the par above the average of 8 per cent, and consequently making the real exchange not much over 1 per cent, when the export of silver bullion became no longer profitable.—*Chapman on the Corn Trade, App. D.—p. 40.*

* The export of cotton, which had been checked by the low rate of exchange, (6 a 7 per cent) in the spring, and promoted by the subsequent advance, again operated in depressing the exchanges.

ther the wealth of the present generation of British ship-owners and merchants, or the general trade of the country, is much indebted to Mr. Huskisson, for the changes he made to bring us into 'rule,' I will not enquire; but how often, alas! do we hear his measures lamented with groans "not loud but deep."

But, to exchange again,—you state that "the real fluctuations can seldom, indeed, for a long period, never exceed 2 per cent. from the *real* par, the cost of transmitting the precious metal being somewhat under $1\frac{1}{2}$ per cent." and that "the real value of the Spanish dollar is 4s. 2d." I should be sorry to find my correspondents holding back remittances, in the expectation of a speedy certainty of such a realisation, when the exchanges happen to be much against them. I would ask, whether the dollar was actually appreciated or depreciated in *real silver value*, at the different periods in which exchange from Canada has been at 25 per cent. discount and at 15 per cent. premium, or whether such alterations have been for a very short period only? And I would farther ask, whether the abstraction of 600 or 700 cargoes of lumber from the remittable means of the colony, would not alter the exchange, without altering the quantity of silver in the dollar. Would not such an abstraction, in fact, act as a prohibition of your import of British goods, to a certain extent, from your inability to pay for them; or what comes to the same thing, raise the price to the consumer to the extent of the exchange.

This part of your work has been extracted from a very able report drawn up by a Committee, of which, I believe, the late Hon. John Richardson was chairman, (whose name is at once a guarantee for elaborate investigation and sound sense,) bearing date 15th March, 1830, and offering to the House of Assembly not a system of metaphysical

theories, but a collection of business facts and arguments deduced therefrom. It may be regretted, therefore, that you did not make a more liberal use of it; allow me then to add the following, being the substance of part of that report.

"Theory says that the real par according to the real value of coin as metal, will not long exceed the cost of carrying to equalize; this is, however, contradicted or rendered doubtful by facts, and to shew that theory, however beautiful, will and must bend to circumstances, it is only necessary to remark that during the long war consequent on the French revolution, Great Britain furnished heavy subsidies to other nations, whereby very large sums of money raised in the United Kingdom were spent abroad, and the exchange being then almost uniformly against us, the Bullion Committee ascribed the very unfavorable state of the exchanges to those subsidies. Since the general peace, the exchanges have almost uniformly been in favor of the United Kingdom, whilst it is notorious that inhabitants thereof, residing or travelling in foreign countries, have expended in those countries from British sources, according to well grounded estimates, ten millions sterling annually, being above threefold the amount of monies sent abroad for subsidies in any one year. This, indeed, is inexplicable and has confounded the most extensive and acute money dealers, who are unable to assign a good reason for a fact which overturns all theoretical calculations upon the subject."

Seeing that I have now run through your book and noticed the most prominent features of it, I find that my letter has run to too great a length to add much thereto.

That your pamphlet is an able production I confess, as also that the tables in the appendix are well drawn up, useful and instructing, and in common with all who consider the subject, I acknowledge

myself much indebted to you for bringing them forward. On the whole, the work is very likely to assist in doing that which I believe will create infinite mischief in England and injury to our colonies, if brought into play.

Whilst England has poor laws, she must keep her poor; whilst she has colonies, she must consider them as part of the nation; whilst she has so large a population of manufacturers, she must foster the best markets for consumption; whilst she has a national debt, she must insure the payment of its interest. How can she do the first, if foreign operatives are to do her work; or the second, if a protection to her own countrymen therein be not granted by discriminative duties on their produce with respect to foreigners. How can she perform the third, if she take no care to give every encouragement to those colonies, wherein the greatest consumers of her goods, in their highest state of manufacture, are to be found; or the last, if this interest is to be racked out of her population, under measures which shall have encreased its effects a hundred fold. Let it not be forgotten that, whilst we are keeping one class of foreign labourers in comparative luxury, we may be supporting our own in idleness; whilst at the same time the collateral interests, shipping and manufacturing, are alike suffering from want of employment—which principle then is the most creditable to our philanthropy? But, above all, let it not be forgotten, as it is in your argument, that no advantage can be granted to European foreigners, that will not be claimed and allowed to the United States of America; and that so far as Canada is concerned, they have every advantage she enjoys and others superadded—making her not a competitor, but a most dangerous rival, if not an extinguisher.

This letter, from a mere practical man, may not have the effect of removing the opinions of those

who already think with you ; such may not allow that my arguments have any foundation either in practice or in science. It will, however, shew that one who is deeply involved and interested in the prosperity of Canada, can differ from you in regard to the means of benefitting her.

I have the honor to be, Sir, your obedient servant,

NATHANIEL GOULD.

P. S.—Since I finished my letter, I find, in the *New Monthly Magazine* of July, the following observations in their review of *M'Culloch's Commercial Dictionary*, and the whole tenor of the extract is so connected with the subject, and written in such good style and language, that I cannot forbear adding it ; indeed, it has put me strongly in mind of the manner and sentiments of the present Lord Chancellor in his "Colonial Policy."

"The advantage arising to Great Britain, from extending her colonization, appears to us more positive than Mr. M'Culloch is disposed to recognise. The concentration of intellectual and physical energies arising from a high state of civilization, requires a larger area for exercise, than is afforded by the geographical extent of the British islands. The establishment of colonies is, in fact, an augmentation of this area, and offers the only means of finding employment for a population, that, from the perfection of our social institutions, has a constant tendency to become redundant. It is also manifest, that the interchange of manufactured goods against *raw produce*, is likely to be carried on with more convenience and mutual advantage, between a parent state and her colonies, than between countries not so connected. This is so eminently the case with Great Britain, that the maintenance of her position in the scale of nations, if divested of her colonial possessions, seems to us utterly impossible.

"Again, Mr. M'Culloch recognises the principle of protection to the home grower of corn, provided the duty imposed be limited to the amount of the local taxes, and he estimates these at six shillings the quarter; this he would fix as the duty on importation, and he would, on the other hand, allow the same sum per quarter as a drawback on exportation—looking at this question, practically, we think that the interests of domestic agriculture require a much higher rate of protection than a mere counteracting of the local taxes upon the land."

Now, it appears to me that the argument of the magazine in both these cases is good, and that a much larger duty than proposed by Mr. M'Culloch is required, so as to allow an *under* protection to the colonial grower also.